



CIN: - L21012PB1980PLC004329

SIL/CS

Date: 08.07.2020

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001	The Manager Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.
Scrip Code: 539201	Symbol: SATIA

Dear Sir/ Madam,

Sub: Submission of Analyst/ Investor Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find enclosed Investor Presentation.

Thanking you,

Yours sincerely,
For Satia Industries Ltd

A handwritten signature in blue ink, appearing to read 'Rakesh', is placed above the typed name and title.
(Rakesh Kumar Dhuria)
Company Secretary



SATIA INDUSTRIES LIMITED

INVESTOR PRESENTATION
July 2020



SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Executive Summary



Company Overview



- Incorporated in 1980, Satia Industries Limited (SIL), is one of the biggest and completely integrated Wood and Agro based paper manufacturers.
- SIL's products are extensively used in the printing of books, directories, envelopes, diaries, calendars, computer stationery, copy manufacturing, annual reports, etc.

Manufacturing and Distribution Network



- Manufacturing plant based out of Muktsar with the capacity to manufacture 1,05,000 MT per annum.
- Completely integrated manufacturing operations with 3 paper machines, 100% in-house power generation and effluent treatment facilities.
- Strong Distribution Network: 70 dealers and 3 branch offices.

Key Clientele



- SIL has long standing relationship with State Text book Corporations and around 40% of revenue comes from these organisations.
- The remaining revenue attributes to the Public and Private Sector Companies.

FY20 Financial Snapshot

Operational Revenue INR 8,086 Mn	EBITDA INR 1,749 Mn	EBITDA Margin 21.63%	
PAT INR 918 Mn	PAT Margin 11.36%	ROE 23%	ROCE 21%



SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Company Overview

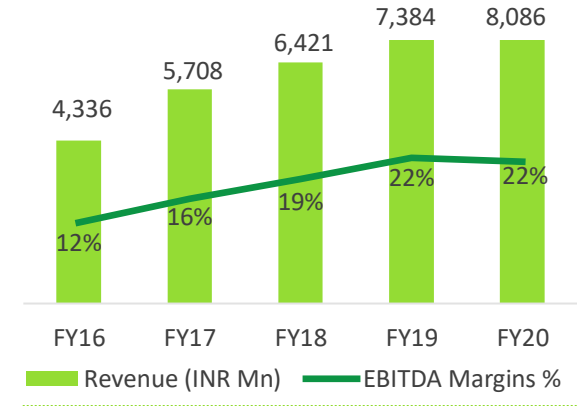
About The Company



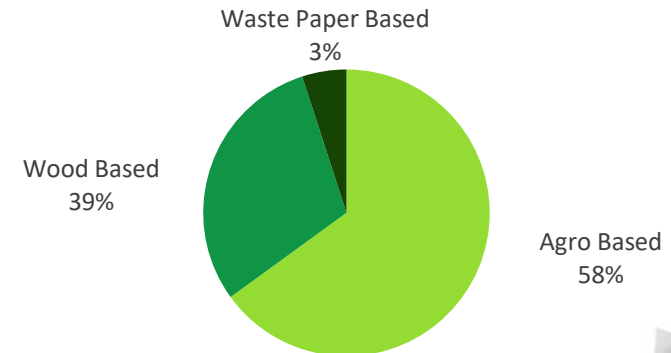
- Incorporated in 1980 by Dr. Ajay Satia, Satia Industries Limited (SIL) started its commercial production of printing and writing paper at Muktsar, Punjab in 1984.
- SIL is one of the biggest Wood and Agro based paper plants in India manufacturing paper using wood chips, veneer waste, wheat straw, sarkanda, etc.
- The Company has a fully integrated manufacturing facility, which includes paper machines, pulping machinery, chemical recovery plant and power generation plant.
- Fully integrated production facility gives superior advantage in terms of cost efficiency and environmental compliance, ultimately leading to superior margin profile compared to peers.
- With a view to improve the quality of pulp and also to save on cooking chemicals, a Continuous Digester has been installed by the Company.
- The product profile includes Super Snow White, Snow White, Photocopier paper, Map litho, Colored paper, Ledger paper, Cartridge paper, Duplicating, bond paper - with and without watermarks and Chromo (Art) paper from GSM range 42 to 200 GSM.
- Satia Industries Limited market its product through dealer network located all over India and through Branches at Jaipur, Delhi & Chandigarh.



Operational Revenue (INR Mn) & EBITDA Margin (%)



Raw Materials Used of Total Volumes



Key Management Personnel



Dr. Ajay Satia
Chairman & M.D

- Dr. Satia set up the integrated paper mill in 1984.
- His vision to adopt technological changes and economies of scale along with timely capital infusion has brought the unit among the best in the industry in terms of pulping strength, power self-sufficiency, effluent treatment and meeting the environmental norms.
- Dr. Satia has a passion for work and possesses unparalleled enterprising spirit for expansion and modernisation.
- His greatest strength lies in building and retaining a strong and trusted team which has turned his dreams into reality.

R.K. Bhandari (MBA) - Joint Managing Director : An Industry Veteran by himself, he looks after marketing and administrative responsibilities since the last 32 years. His excellent leadership qualities has enabled the Company to grow at an immense pace thus enabling it to be established as a leading player in the industry.

Chirag Satia - Executive Director : He has been the driving force behind new initiatives since he joined in 2015 and he looks after Finance, Accounts and Commercial Operations. His enterprising spirit and forward looking vision has added new energy to the workforce.

A.C. Ahuja – Director : He was the Ex. Executive Director IFCI, Delhi.

Hardev Singh - Director (Technical) : He has a wide range of experience in installation of projects.

Arun Kumar Gupta - Director (Independent) : He is a Senior Chartered Accountant by profession.

Ashok Kumar Gupta - Director (Independent) : He is a CAIIB and has 35 years of experience in Banking and Finance.

Dr. Priti Lal Shivhare (MSc, Ph.D. Chemistry) - Director (Independent) : He serves as a scientist in Central Pulp and Paper Research Institute, Saharanpur, (U.P).

Inder Dev Singh – Director (Independent) : He is a retired personnel of PNB, is a CAIIB and has studied B.Com. and LLB.

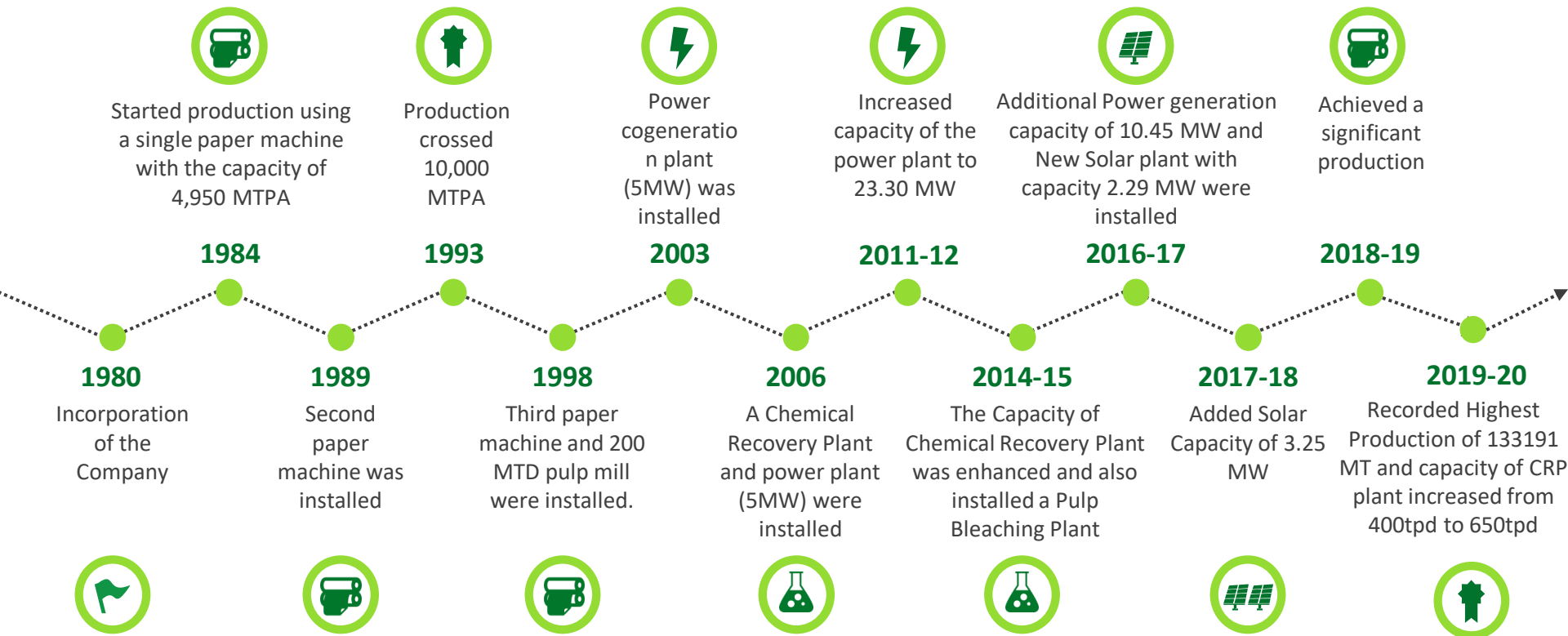
Dinesh Sharma – Director (Independent) : He has completed his Masters in Chemical Engineering.

Vinod Kumar Kathuria – Director (Independent) : He has priorly served Punjab National Bank for more than 3 decades.

Inderjeet Monga (C.A.) – CFO : He plays an active role in the financial decision making.

R. K. Dhuria – Company Secretary : L.L.B. : He assists the boards in Legal and compliance related matters.

Key Milestones

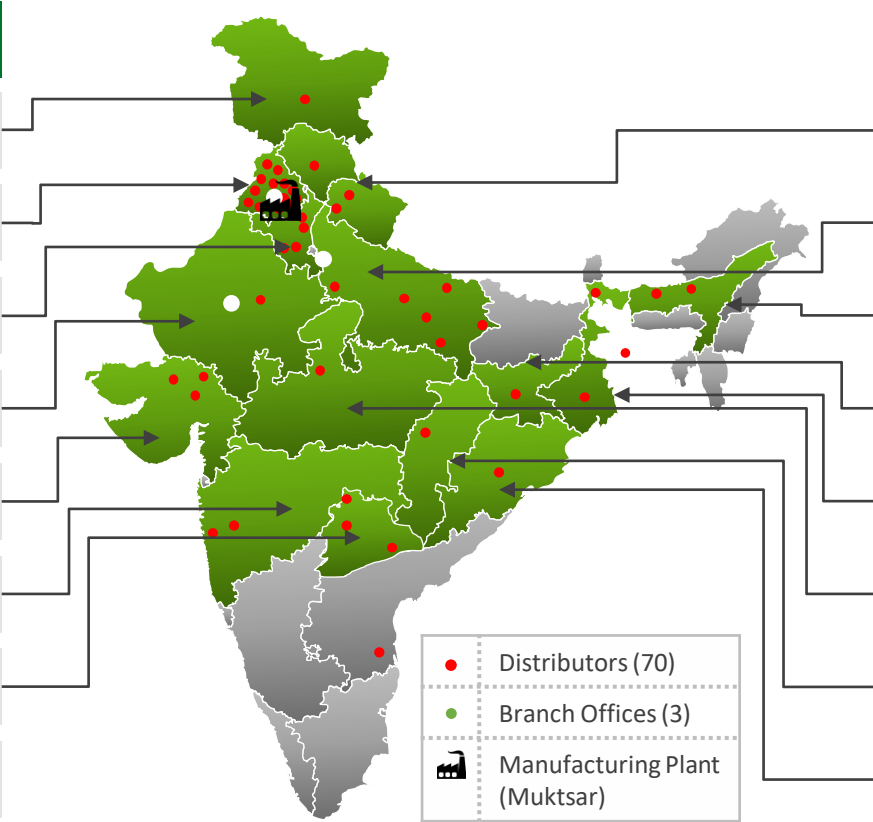


Geographical Presence



Region-wise sales for FY20

Jammu & Kashmir	0.83%
Punjab	8.93%
Haryana	3.5%
Rajasthan	9.57%
Gujarat	3.28%
Maharashtra	13%
Telangana	2.51%
Export and Others	6.67%



Region-wise sales for FY20

Delhi	10.07%
Uttar Pradesh	12.29%
Assam	10.9%
West Bengal	4.17%
Bihar	1.46%
Madhya Pradesh	3.9%
Chhattisgarh	3.83%
Odisha	5.09%

- Distributors (70)
- Branch Offices (3)
- Manufacturing Plant (Muktsar)

Manufacturing Facilities



Segment

Pulping Facilities



Description

- Continuous Digester for cooking pulp, oxygen delignification and chlorine dioxide bleaching has been installed.

Paper Machines



- Capacity of paper machines varies with operating speed and GSM of paper.
- Permission for 300 TPD has been received.
- Project will be commenced by July, 2021.
- State of the art newspaper machine will be installed.

Chemical Recovery Plant



- Installed two Chemical Recovery boilers with a capex of INR 850 Mn to process black liquor for reversion into caustic soda.
- It also helps in environment compliance.

Power Generation



- Installed three turbine generating sets at a total capex of INR 871.6 Mn and a solar power plant at capex of INR 224.2 Mn.

Capex Plan



Agro – Residue



Wood chips



Waste Paper



CRP



In-house power generation



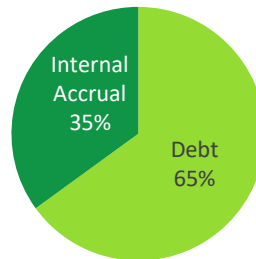
Current Capacity
1,05,000 MT of
Paper

Capex of
INR 500 Cr



Capacity
Expansion of
1,00,000 MT of
Paper

Funding



Updates:

- Additional land has been purchased.
- New European Paper Manufacturing Machine has been ordered.
- Foundation work going on in full swing for the new Block.
- Final Environmental Clearance already received from the Ministry of Environment & Forests, Delhi.
- Financial closure has already been achieved for the first phase.

**Plant to be commissioned by
July 2021**

A similar greenfield capacity expansion of 300 TPD would cost around INR 1,000 Cr and would take a timeline of around 40 months to be operational.

Paper Cutlery Segment



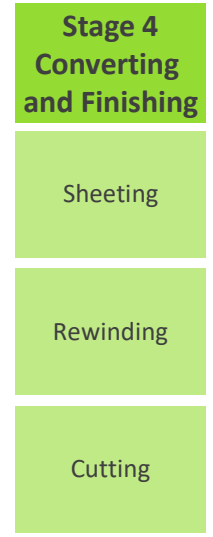
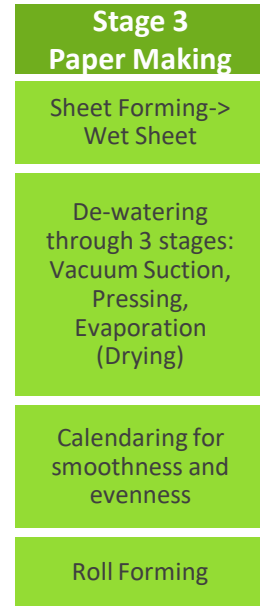
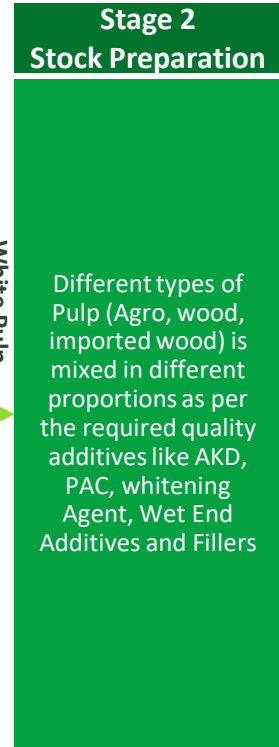
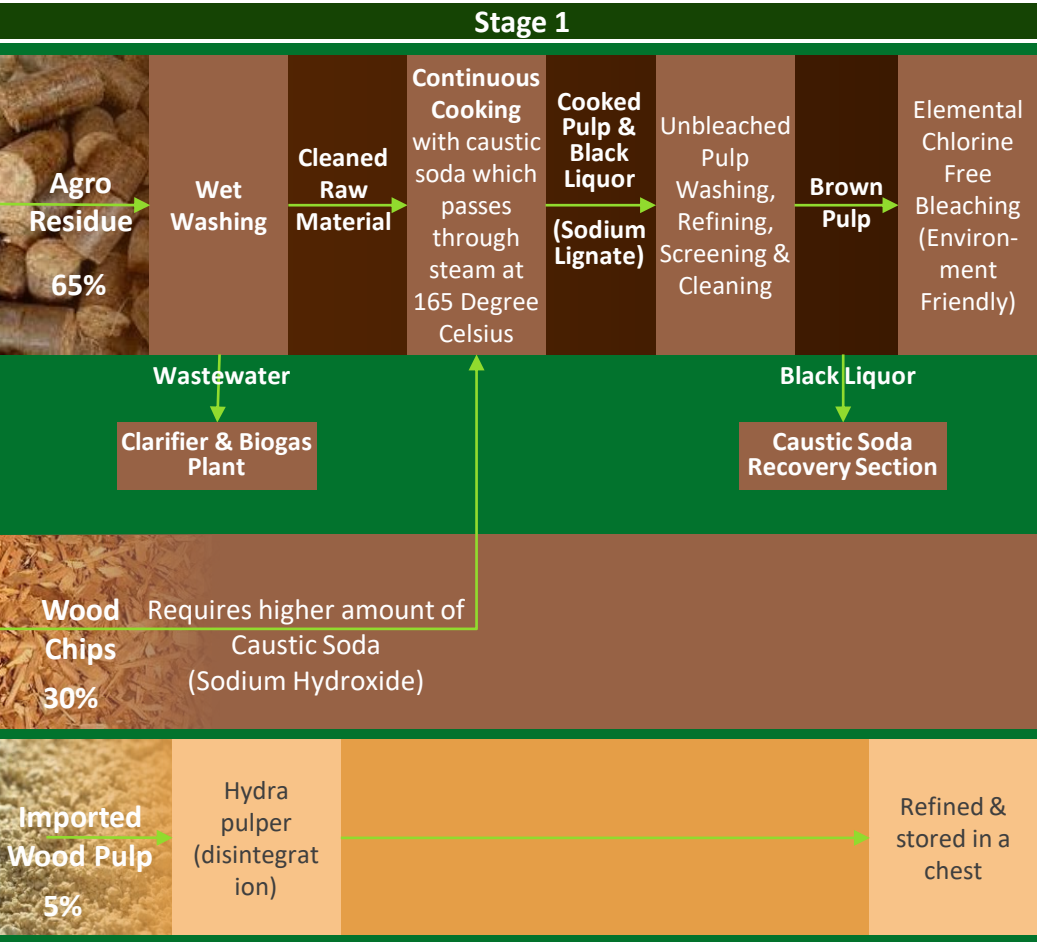
- Prime Minister Sh. Narendra Modi gave an ambitious call to eliminate all single-use plastic products in the country by 2022 and SIL plans to make most of this opportunity in the national movement to replace plastic and styro foam from food delivery packaging with sustainable packaged products



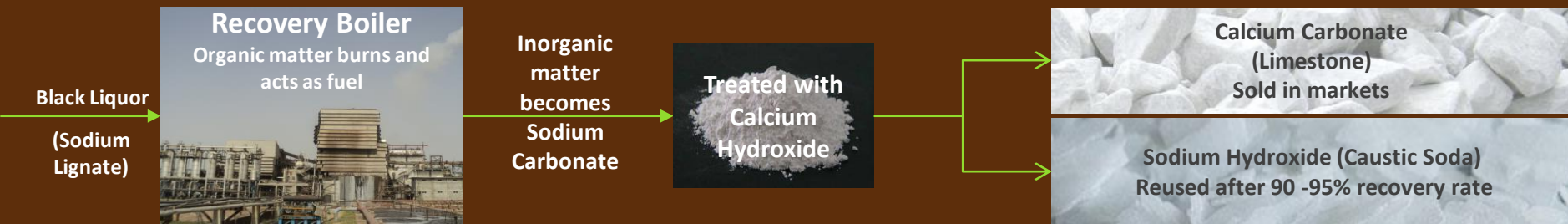
- The company had plans to commence the production of paper cutlery and the machinery was to be imported from South East Asia. However, due to the ongoing COVID-19 pandemic, the project has been delayed because the team was unable to travel on account of lockdown restrictions imposed by several Government bodies.

Online food delivery is fuelling substantial acceleration in food packaging demand. We expect this segment to gain traction by FY21.

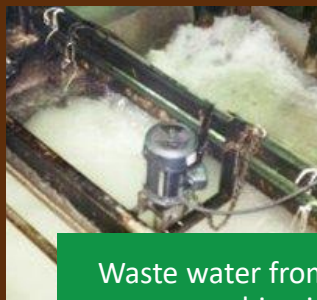
Paper Making Process



Effluent Treatment



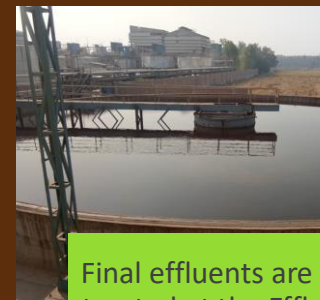
Wheat straw wet washing waste water is used to produce Biogas



Waste water from paper machine is clarified and reused in washing of pulp in bleaching stages



Maximum circulation of bleaching plant filtrate



Final effluents are first treated at the Effluent Treatment Plant & then passed to the Eucalyptus Plantations

Top Clients



Bal Bharti



Assam State Text Book Production & Publication Corporation Ltd.



Odisha State Bureau of Textbook



Chhattisgarh Pathya Pustak Nigam



Rajasthan Rajya Pathyapustak Mandal



Burda Druck India Private Limited



West Bengal Text Book Corporation Ltd



Himachal Pradesh Board of School Education



Indian Railways

Myths Vs Realities of the Paper Industry



← Myth	Reality →
Denuding forests	Paper industry in India is also agro and rural based. Industry led agro/farm forestry in collaboration with farmers have brought over 125,000 hectares under pulp wood plantations.
Disturbs ecological balance	It is wood positive. The industry grows more trees through its agro-forestry initiative than it harvests. Moreover, pulp and paper industry consumes only 3% of the national requirement of wood while major consumption is as fuel wood (89.5%) and timber (7.5%).
The sun has set on India's paper industry	Overall paper consumption is projected to increase to 24 million ton in 2024-25 from 15 million ton currently. Every one kg increment per capita consumption results in additional demand of more than 1 MTPA.
Technologically outdated	An investment of more than USD 5 Bn. has been made by the industry during the last five years in capacity enhancement, technology upgradation and various acquisitions.
Unsustainable industry	Paper is biodegradable, recyclable and sustainable.
Puts undue strain on water and energy resources	Earlier, paper mills used to consume 200 cubic meters of water to produce a ton of paper. Now, the integrated mills have reduced the usage to 50 cubic meters with efforts on for 40 cubic meters.
Lobbies for access to forests repeatedly	Out of the total degraded forest land of 29 Mn hectares, the paper industry is asking for only 10%. Growing pulpwood trees on degraded land will lead to a fillip in rural employment and add to the green cover of India.

Certifications




Certificate of Registration

Facilitating Business for Enhanced Quality

This is to certify that

Satia Industries Ltd.

Village - Rupana, Muktsar - Malout Road, Muktsar - 152032 (Punjab), India.

has been assessed by RICL and found to comply with the requirements of

ISO 9001 : 2015

Quality Management System

For the following activities:
Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 21/04/2017 Until 20/04/2019

Date of Initial Certification: 21/04/2017
1st Surveillance Successfully Conducted
1st Surveillance on or before: 20/03/2019
Certification Valid Until: 20/04/2020

Certificate No.: **17RQ04BQ**



Director
Royal Impact Certification Ltd.
Certificate details entered into JAS-ANZ register on 21/04/2017

A-68, Ground Floor, Sector-2, Noida - 201301, India
www.isconinternational.org, info@isconinternational.org
Phone: +91 120 4112653, 9191618784

This Certificate can be verified at: www.isconinternational.org and www.jas-anz.org




MEMBER OF MULTILATERAL COGNITION ARRANGEMENT

Certificate remains the property of Royal Impact Certification Limited. Must be returned on request or if certificate is found invalid. Validity of this certificate is subject to successful surveillance audits. RICL is accredited by JAS-ANZ, URL of JAS-ANZ Register: www.jas-anz.org/register. JAS-ANZ is a member of the International Accreditation Forum (IAF), the membership status can be verified at www.iaf.org. Validity of this certificate is subject to successful surveillance audits as per dates given above.



Certificate of Registration

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ISO 14001 : 2015

Environmental Management System

For the following activities:
Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 13/06/2018 Until 12/06/2019

Date of Initial Certification: 13/06/2018
1st Surveillance on or before: 12/05/2019
Certification Valid Until: 12/06/2020
UAF is a full member of International Accreditation Forum (IAF)

Certificate No.: **18U06AU**



Director
Royal Impact Certification Ltd.

A-68, Ground Floor, Sector-2, Noida - 201301, India
www.isconinternational.org, info@isconinternational.org
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UNITED ACCREDITATION FOUNDATION

United Accreditation Foundation
3510, Colmar, Norfolk, VA 23509,
United States of America.

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Satia Industries Ltd.

Village - Rupana, Muktsar - Malout Road, Muktsar - 152032 (Punjab), India.

has been assessed by RICL and found to comply with the requirements of

OHSAS 18001:2007

Occupational Health & Safety Management System

For the following activities:
Manufacturing and Supply of Writing & Printing Paper

This Certificate is Valid from 13/06/2018 Until 12/06/2019

Date of Initial Certification: 13/06/2018
1st Surveillance on or before: 12/05/2019
Certification Valid Until: 12/06/2020
UAF is a full member of International Accreditation Forum (IAF)

Certificate No.: **18U006AV**



Director
Royal Impact Certification Ltd.

A-68, Ground Floor, Sector-2, Noida - 201301, India
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Phone: +91 120 4112653, 9191618784

This Certificate can be verified at: www.isconinternational.org



UNITED ACCREDITATION FOUNDATION

United Accreditation Foundation
3510, Colmar, Norfolk, VA 23509,
United States of America.

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Rainforest Alliance

SATIA INDUSTRIES LIMITED
VILLAGE - RUPANA, MUKTSAR - MALOUT ROAD
MUKTSAR, PUNJAB - 152032
INDIA

IS CERTIFIED FOR FOREST STEWARDSHIP COUNCIL™
CHAIN OF CUSTODY

Certificate Scope

Certificate Type: Single Chain of Custody
Standard(s): FSC-COC-40-004 V2-1; FSC-COC-40-007 V2-0
Product group(s): Writing, copying and printing paper
Valid from September 14, 2015 to September 13, 2020
Certificate Registration Code: RA-COC-00729

FSC License Code: FSC-C126556
Certificate Issue Number: IN-2015-1

Additional details regarding the scope, including a full list of products and species, are available at info.fsc.org.





Jon Jelling, Director, Certification
Rainforest Alliance
233 Broadway, 25th Floor New York, NY 10079 USA

RAINFORREST ALLIANCE IS AN FSC® ACCREDITED CERTIFIER

The validity of this certificate shall be verified on info.fsc.org.
This certificate does not constitute evidence that a particular product supplied by the certificate holder is FSC-certified or that FSC Certified Wood. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC claims are clearly stated on invoices and shipping documents.

This certificate is the property of Rainforest Alliance. This certificate and all copies or reproductions of this certificate shall be returned or destroyed if requested by Rainforest Alliance.

Version July 2013

Key Strengths



Wheat Straw is cheap and easily available locally



Low cost raw materials

No other paper mill in a 100 Km radius



Secure access to raw materials

Chemical Recovery Plant to treat Black Liquor, oxygen plant for Delignification, production of Chlorine Dioxide for Bleaching & Pulping



Tremendous cost savings through in-house effluent treatments/intermediates



Co-power generation to reduce cost

27.95 MW capacity run on Biomass and process intermediate- Black Liquor



Pan India distribution network

3 Branch Offices and 70 Distributors

Long standing relationships with State Text Book Boards



Environment compliant manufacturing facilities

In-house treatment of pollutants and 540 Acres of Eucalyptus Plantations and Carbon Credit Surplus



SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Business Overview

Writing and Printing paper : Products



Snow White

Features:

Brightness: 85%
Whiteness: 133%
Opacity: 85-96%

Variants:

Copy Segment: 52-64 GSM
Printing Segment: 52-90 GSM

RM Composition:

Agro Pulp: 75%
Hard Wood Pulp: 25%



Super Snow White

Features:

Brightness: 89%
Whiteness: 142%
Opacity: 85-96%

Variants:

Copy Segment: 52-64 GSM
Printing Segment: 52-90
GSM

RM Composition:

Agro Pulp: 70%
Hard Wood Pulp: 30%



Ultra White

Features:

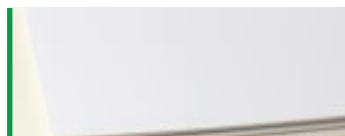
Brightness: 85%
Whiteness: 133 %
Opacity: 85-96%

Variants:

Copy Segment: 52-64 GSM
Printing Segment: 52-90
GSM

RM Composition:

Agro Pulp: 75%
Hard Wood Pulp: 25%



Ultra Shine

Features:

Brightness: 88%
Whiteness: 142 %
Opacity: 85-96%

Variants:

Copy Segment: 52-64 GSM
Printing Segment: 52-90
GSM

RM Composition:

Agro Pulp: 70%
Hard Wood Pulp: 30%



Ultra Print

Features:

Brightness: 90%
Whiteness: 145 %
Opacity: 78-96%

Variants :

58-100 GSM

RM Composition:

Agro Pulp: 65%
Hard Wood Pulp: 25%
Imported Hard/Soft
Wood Pulp: 10%

Writing and Printing paper : Products



Coloured Paper

Features:

Brightness- NA
Whiteness- NA
Opacity – 78-96%

Variants:

48-180 GSM

RM Composition:

Agro Pulp- 70%
Hard Wood Pulp -30%



Cover Paper

Features:

Brightness- 85%
Whiteness- 133%
Opacity – 94-96%

Variants:

100-170 GSM

RM Composition:

Agro Pulp- 75%
Hard Wood Pulp -25%



Natural Shade

Features:

Brightness- 82%
Whiteness- 70%
Opacity – 92-95%

Variants:

80-120 GSM

RM Composition:

Agro Pulp- 70%
Hard Wood Pulp -30%



Photo Copier

Features:

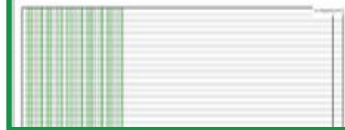
Brightness- 90%
Whiteness- 142%
Opacity – 92%

Variants:

70-80 GSM

RM Composition:

Agro Pulp- 65%
Hard Wood Pulp -20%
Imported Hard/Soft Wood
Pulp- 15%



Ledger

Features:

Brightness- 58%
Whiteness- 11%
Opacity – 88-90%

Variants :

58-90 GSM

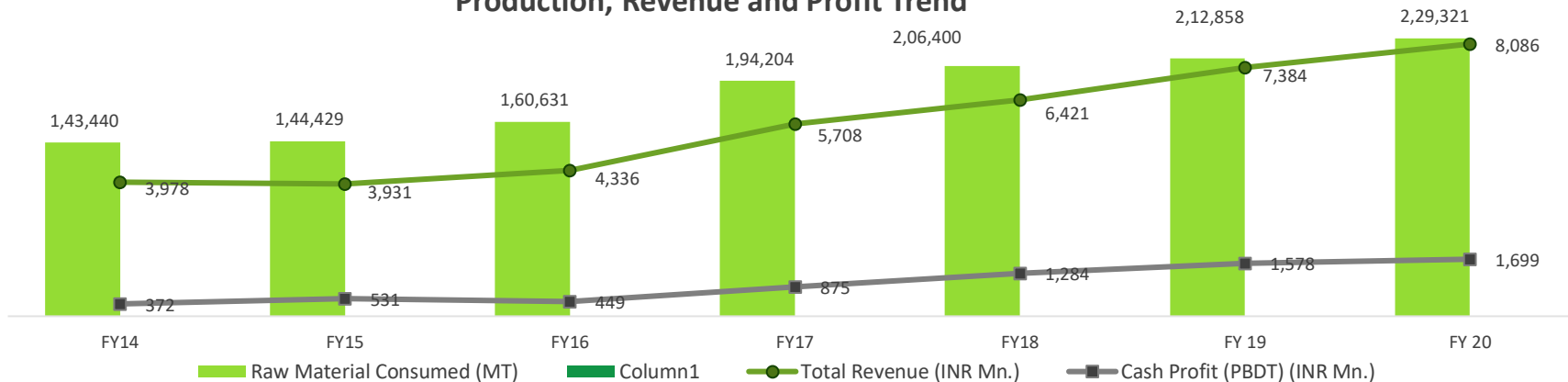
RM Composition:

Agro Pulp- 75%
Hard Wood Pulp- 25%

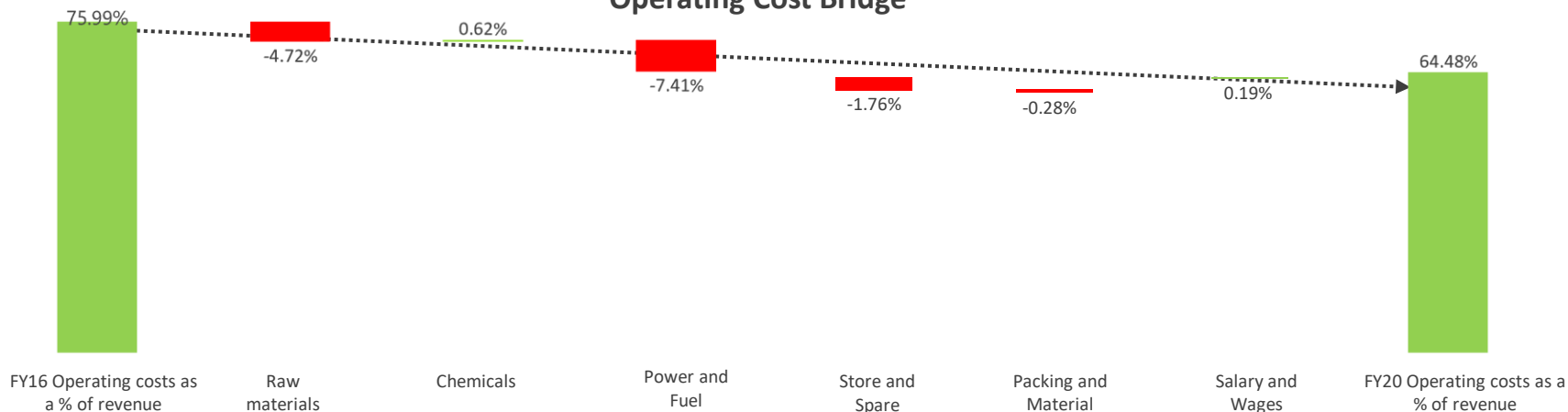
Operating Efficiency



Production, Revenue and Profit Trend



Operating Cost Bridge



Strategic Advantage



Raw Material Security

- SIL has the capability and flexibility to use all three kinds of pulp made from agro residue, wood and waste paper.
- It procures raw materials like wheat straw, sarkanda and wood chips from the area adjacent to the manufacturing plant in Punjab.
- No other paper mill, in a 100 km, radius ensures easy and cheap availability.

Water Security

- Water is imperative at each stage of production and can lead to loss of machine days in case of shortage.
- The fresh water requirement is 18,500 m³ /day for Agro & Wood-Based Pulp to produce writing & printing paper 390 TPD.
- The Company has an approval from the state irrigation department for fresh water withdrawal of 7.5 cusec from Arniwala Canal, which is at a distance of 1.8 km.

Captive Power Generation

- With the high cost of power directly affecting profits of paper industries, the best option is to install own captive power plants to manage production schedules without unplanned downtime and lower costs.
- Against the huge requirement of steam at 10Kg/cm² pressure for pulp making and steam at 4Kg/cm² pressure for drying paper; SIL has installed 62Kg/cm² steam pressure boilers and 27.95 MW power is co-generated from energy produced in pressure reduction which helps in huge cost savings.

Future Growth Strategy



01

SIL plans to make best of the scenario by focusing on modernization of its existing plant and machinery. This will include upgrading the quality which will be achieved by increasing wood pulp in its raw material mix, making surface sized paper for high speed multi colour printing and by doubling its production capacity by setting up a new paper machine in its existing premises by July 2021.

02

SIL proposes to simultaneously enhance its agro, wood and recycling pulp making facilities to meet increased level of paper machines capacity along with flexibility in raw material usage. We plan to upgrade our Chemical recovery plant and cogeneration division to meet environmental challenges and also maintain our independence in low cost power to maintain cost competitiveness.

03

With a strong raw material base, doubled production capacity to over 2.0 lac tons paper every year, a flexibility to make high grade surface sized maplitho, a copier paper along with our traditional stronghold in Government textbook paper market, we plan to expand our customer base and further strengthen our existing network by meeting varied needs of the customers in the face of stiff competition in the market.

Environmental Compliance



Environment Compliance though a legal necessity; SIL considers this as its moral responsibility and has undertaken many steps to ensure that no harm is done to the environment:

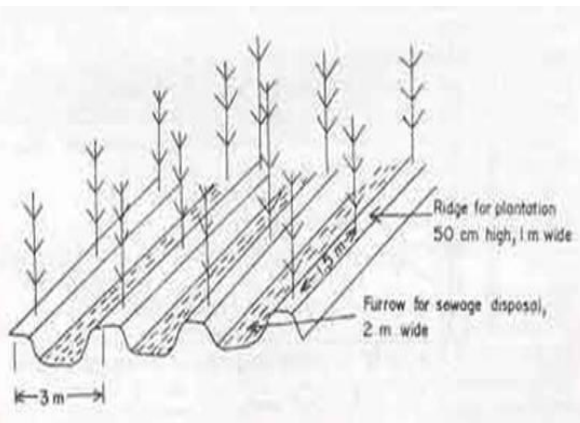
- **Eucalyptus Plantation** : SIL uses the natural quality of Eucalyptus Plant for natural pumping and evaporation of ground water through its leaves into the atmosphere and has developed 540 acres of Eucalyptus Plantation for waste water handling. No water is discharged into any water body.
- SIL has adequate water and air pollution control devices to meet the prescribed norms of Water and Air pollution and has got the necessary Consent to operate from the PPCB, Punjab under different Acts.
- SIL has a fish tank with the treated waste water to check fish survival in the treated effluent and establishes that it is not harmful for aquatic life.
- Solid waste is used by card board manufacturers and boiler ash goes into land filling.
- SIL is planning to tie up with cement companies to dispose lime sludge.
- Methane is used for power generation or as fuel in the boiler.

Karnal Technology



Process

- The Karnal Technology involves growing trees on ridges 1m wide and 50cm high and disposing of the untreated sewage in furrows.
- The effluent is consumed within 12-18 hours and it is possible to dispose off 0.3 to 1.0 ML of effluent per day per hectare through this technique.



Low Cost

- The expenditure of adopting this technology involves cost of making ridges, plantation and their care.
- The implementation does not involve skilled labour and relatively unfertile wastelands can be used for this purpose.

Zero Effective Discharge

- This technique utilizes the entire biomass as living filter for supplying nutrients to soil and plant.
- Further, as forest plants are to be used for fuel wood, timber or pulp, there is no chance of pathogens, heavy metals and organic compounds to enter into the human food chain system.

Plantation

Eucalyptus plant is widely used for Karnal Technology due to the capacity to transpire large amounts of water and ability to remain active through out the year.



Revenue Generation

This system generates gross returns from the sale of fuel wood and the sludge accumulating in the furrows along with the decaying forest litter.

Corporate Social Responsibility



SIL believes that the corporate sector are economic organs of the society and therefore endeavors to make a positive difference to the society by trying to build a better tomorrow.

- **Total amount spent in FY20: INR 10.8 Mn**
- **Total amount spent during FY19: INR 11.2 Mn**
- The management has approved **INR 25 Mn** for CSR program in surrounding villages. The activities mentioned therein shall be carried out within a **time frame of 5 years** (2017-18 to 2021-22)

The sectors identified under the scope of CSR activities are as follows:

Community Health Improvement: Periodical medical checkups, blood donation camps to be organized near the project site, eye check-up camps, health awareness camps for mother and child and health and hygiene practices

Community Education Facilities: Augmentation of furniture, blackboard, etc. in village schools, award scholarships to meritorious students, distribution of educational books, stationary, uniforms, aids, etc.

Community Welfare activities: Development of worship places as well as beautification, distribution of seeds & saplings, promotion & support to various Govt. schemes

Community Water Conservation: Rain water harvesting, ground water recharge pits and water conservation awareness programs

Community Capacity Building: Development of vocational training for technical skills, self employment trainings for women, such as, stitching, embroidery, tailoring, and handicrafts, etc.

Infrastructural Development: Village pond retrieval and R.O installation

A forestation Programs: Plantation of trees in village road sides



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Industry Overview

Paper Industry Overview

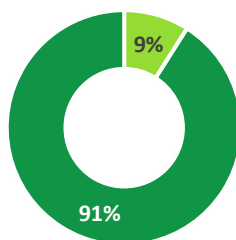


- The Indian paper & paper products market is projected to grow from \$ 8.6 billion in 2018 to \$ 13.4 billion by 2024, exhibiting a CAGR of 7.8% during 2019-2024. It is also poised to grow and touch 25 million tons in 2019-20 from 20.37 million tons in 2017-18.
- According to a report released by Indian Paper Manufacturers Association (IPMA) detailing the paper industry overview for 2017-2018, the per capita paper consumption in India is currently around 13-kgs, while the global average is 57-kgs. This is projected to increase to at least 17-kgs by 2024-25. The per capita paper consumption in India at a little over 13 kg, is way behind the global average of 57 kg.
- The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes.

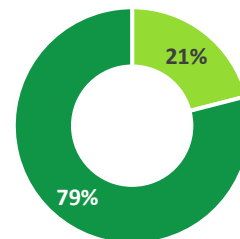
India has one of the lowest per capita consumption of paper



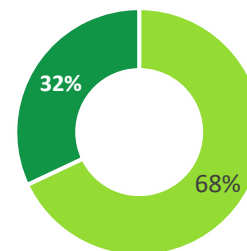
India (total 17m tons)



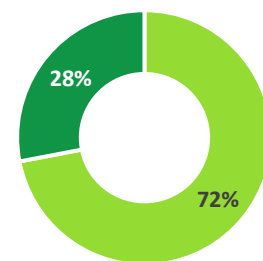
China (total 109m tons)



USA (total 70m tons)



Indonesia (total 7m tons)



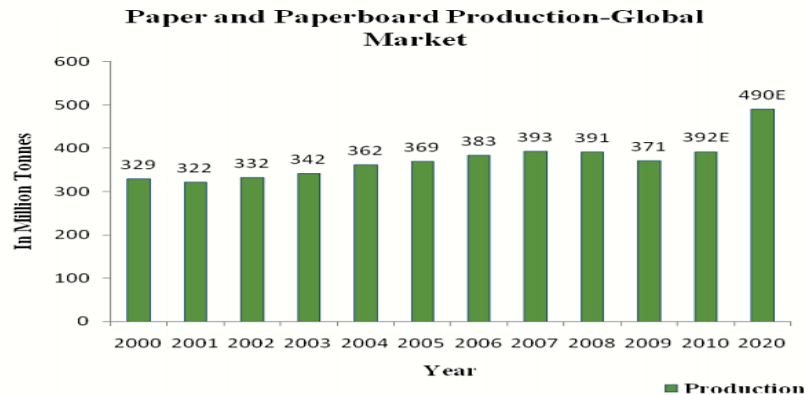
■ Share of Top 3

■ Others

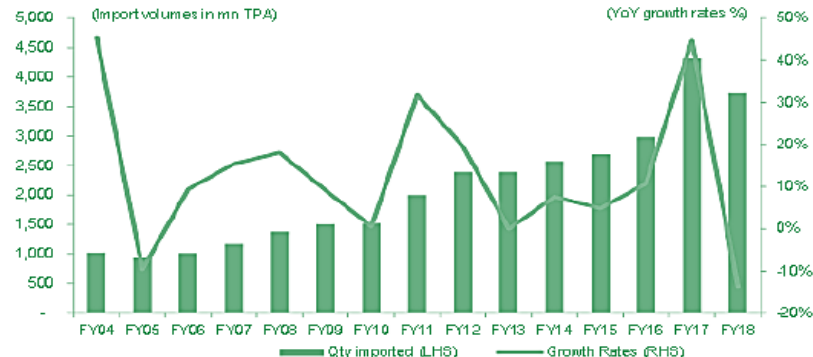
Paper Industry Overview



- India is the fastest growing major paper market in the world.
- The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanization and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country
- The Indian paper & paper products market is projected to grow from \$8.6 billion in 2018 to \$13.4 billion by 2024, exhibiting a CAGR of 7.8% during 2019-2024
- The Indian paper industry accounts for about 1.6 per cent of the world's production of paper and paperboard.
- The Indian paper industry is accorded 'core sector' status since paper is categorized as an essential commodity by the government. The progress of paper industry is inextricably linked to the national priorities and with the changing times, its fortunes fluctuate. Indian paper industry has a 1:1 correlation with the economy.



Imports grew at 9.3% CAGR from FY13 to FY18



Challenges of Environmental Compliance



- The pulp and paper industry is among the world's largest generators of air and water pollutants, waste products and gases that cause climate change. Thus, heavy investment is required by companies to be environmentally compliant. Multiple norms have been introduced over the years, which have covered paper manufacturing companies.



- Corporate Responsibility for Environment Protection (CREP) had some key action points - utilization of treated effluent wherever possible, reduce wastewater discharge to less than 140 m³/tonne of paper by 2005, etc.
- Charter for Water Recycling & Pollution Prevention in Pulp & Paper Industries (CWRPP), not only highlighted the Best Available Techniques (BAT) based on European Union's BREF document, but also laid down stringent water consumption, effluent generation and effluent characteristics norms for the industry to be achieved in two phases, i.e., short-term goals (by March 2016) and long-term goals (by March 2017). Water consumption norm of 50 m³/tonne of paper produced has already been achieved by the Industry.
- National Charter is in the pipeline. Large mills have already incurred capex to adopt environmental friendly technologies and thus, would not have a huge impact.
- Central Pollution Control Board (CPCB) advises the Central government on matters concerning air and water pollution. It has classified pulp and paper in the Red category, which means environmental clearance for new factories would be strict.
- Recently, 12 environmentally non-compliant paper mills were issued closure notices by CPCB.

Indian Paper Industry is Ripe for Consolidation



High Capital Intensity - Investment in land and machinery, repairs and maintenance of mills, technology, cost of environmental compliance, growing wood plantations and establishing a distribution network all make manufacturing paper a capital intensive task.

Economies of scale - The average capacity of an Indian Paper Mill is about 21,373 TPA, which is less than 1/5th of the average capacity of European mills, and about 1/9th the size of the average US mill.

Imports will pressure inefficient players further.

It is expensive to be environmentally compliant - The pulp and paper industry is among the world's largest producers of water pollutants and waste products. CPCB has classified Pulp and Paper industry into the Red category, which means environmental clearance for new factories would be strict.

Advent of GST - GST has been introduced at 12-18% for most paper categories which implies that the margin cushion available to small companies (likely tax avoiding) may be pressured.

Industry Stress - Multiple inorganic opportunities are available in India, which can help large players with strong balance sheets consolidate.



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Financial Overview

Income Statement



PARTICULARS (INR Mn)	FY16	FY17*	FY18*	FY19*	FY20*
Operational Revenue	4,336	5,708	6,421	7,384	8,086
Total Expenses	3,801	4,799	5,203	5,743	6,337
EBITDA	535	909	1,218	1,641	1,749
<i>EBITDA Margin</i>	<i>12.34%</i>	<i>15.93%</i>	<i>18.97%</i>	<i>22.22%</i>	<i>21.63%</i>
Other Income	165	211	303	145	152
Depreciation	332	400	451	477	546
Finance Cost	251	245	237	208	202
Extraordinary Items	(16)	-	-	-	-
PBT	101	475	833	1,101	1153
Tax	(30)	20	146	223	235
Profit After Tax	131	455	687	878	918
<i>PAT Margin</i>	<i>3.02%</i>	<i>7.98%</i>	<i>10.70%</i>	<i>11.89%</i>	<i>11.36%</i>
Other Comprehensive Income	-	(2)	(8)	2	(3)
Total Comprehensive Income	131	453	679	880	915
EPS (INR per share)	1.31	4.55	6.86	8.77	9.18

*As per IND-AS

Balance Sheet (IND-AS)

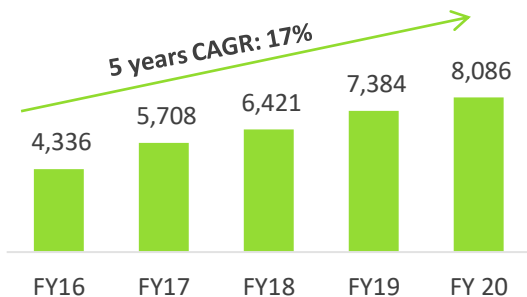


PARTICULARS (INR Mn)	FY18	FY19	FY20	PARTICULARS (INR Mn)	FY18	FY19	FY20
Equity	2,226	3,076	3,955	Non-Current Assets	3,540	4,505	5,983
Equity Share Capital	100	100	100	a) Property, Plant and Equipment	3,119	3,827	3,709
Other Equity	2,126	2,976	3,855	b) Capital Work In Progress	295	561	2,147
				c) Financial Assets			
				(i) Investments	29	31	33
Non-Current Liabilities	1,819	1,957	2,600	(ii) Loans	35	17	-
a) Financial Liabilities				(iii) Other financial assets	10	10	10
(i) Borrowings	910	1,054	1,588	d) Deferred Tax Asset (Net)	48	59	32
(ii) Other Financial liabilities	837	823	850	e) Other Non-Current Assets	4	-	52
b) Other Non-Current Liabilities	3	3	69				
c) Provisions	69	77	93				
				Current Assets	2,278	2,099	2,468
				a) Inventories	526	599	531
				b) Biological Assets other than bearer plants	295	303	281
Current Liabilities	1,773	1,571	1,896	c) Financial Assets			
a) Financial Liabilities				(i) Trade Receivables	1,179	1,057	1,323
(i) Borrowings	676	537	596	(ii) Cash and Cash Equivalents	13	5	17
(ii) Trade Payables	447	454	530	(iii) Bank balances other than above	64	35	138
(iii) Other Financial Liabilities	468	516	667	(iv) Other financial assets	23	26	24
b) Current tax liabilities (net)	-	13	-	d) Current Tax Assets (Net)	21	-	22
c) Other Current Liabilities	164	44	93	e) Other Current Assets	157	74	132
d) Provisions	18	7	10				
GRAND TOTAL - EQUITIES & LIABILITES	5,818	6,604	8,451	GRAND TOTAL – ASSETS	5,818	6,604	8451

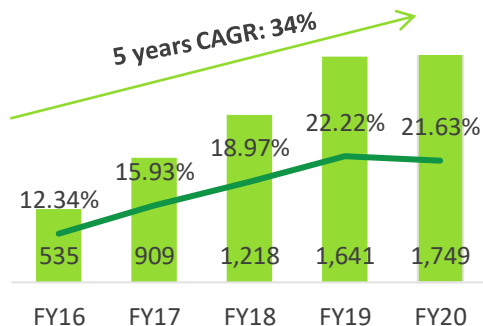
Financial Highlights



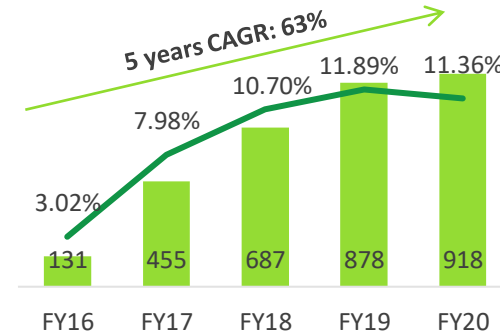
Operational Revenue (INR Mn)



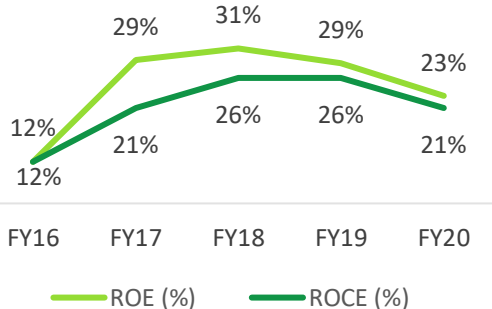
EBITDA (INR Mn) & EBITDA Margin (%)



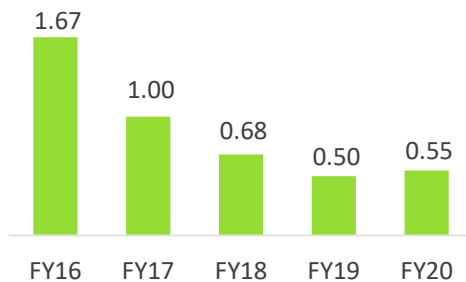
PAT (INR Mn) & PAT Margin (%)



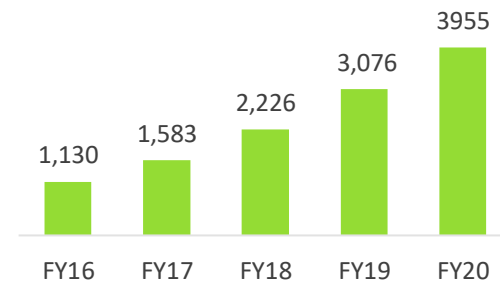
ROE (%) and ROCE (%)



Debt to Equity



Net Worth (INR Mn)



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Thank You